



**Cannabis Control Authority
Board of Directors Meeting
DRAFT MINUTES
September 7, 2023
1:00-3:00PM**

**Virginia Workers' Compensation Commission
Commissioner's Conference Room (Basement)
333 E. Franklin Street / Richmond, VA 23219**

MEMBERS PRESENT: John Keohane, Chair
 Neil Amin, Vice Chair
 Michael Jerome Massie
 Anthony D. Williams

MEMBERS PRESENT VIRTUALLY: Bette Brand

LEGAL COUNSEL: James Flaherty, Office of the Attorney General

PRESENTERS: Jeremy Preiss, Cannabis Control Authority
 Shawn Casey, Cannabis Control Authority
 Jake Shuford, Cannabis Control Authority
 Hanna Jones, Cannabis Control Authority
 Brianna Bonat, Cannabis Control Authority

1. CALL TO ORDER

Mr. Keohane called the meeting to order at 1:01pm.

2. DETERMINATION OF QUORUM

Mr. Keohane determined that the Board had a quorum given that four board members were physically present and a fifth was attending virtually.

3. APPROVAL OF THE AGENDA

Upon motion by Mr. Amin, and duly seconded by Mr. Massie, the members voted to approve the meeting's agenda.

4. APPROVAL OF PREVIOUS MEETING'S MINUTES

Upon motion by Mr. Amin, and duly seconded by Mr. Massie, the members voted to approve the draft minutes from the July 20, 2023 Board meeting.

5. NEW BOARD MEMBER INTRODUCTION

Mr. Keohane introduced Anthony D. Williams, the newest member of the CCA Board of Directors. Mr. Williams joins the Board with a 34-year career in public service including as a veteran of the US Armed Forces and thirty years with the Drug Enforcement Administration (DEA), where he served as Chief of Operations for the agency from 2016 through 2019. As Chief of Operations, he commanded the DEA's Global Drug Enforcement efforts in 222 domestic offices and 91 foreigner offices in 70 countries, as well as the DEA Special Operations and Aviation Division. Mr. Williams also served as the Principal Advisor to the DEA Administrator and Deputy Administrator on all matters pertaining to the daily worldwide operations of the DEA.

6. NEW CCA STAFF INTRODUCTIONS

Ms. Jamie Patten introduced three new staff who joined the CCA since the previous Board Meeting:

- Robin Hollenbeck, Human Resources Director
- Jeff Harris, Compliance and Enforcement Manager
- Isaac Wright, Medical Cannabis Program Manager

7. REGULATORY UPDATE

Mr. Shuford reported as part of the legislation transitioning the Medical Cannabis Program (MCP) from the Board of Pharmacy to the CCA, the CCA was directed to adopt regulations governing the MCP. He explained that the CCA, to the greatest extent practical, modeled the Board of Pharmacy's existing regulations and focused on working with what was in place while making small tweaks and improvements to the regulations.

Mr. Shuford first discussed non-substantive changes made to the regulations, including reorganization and elimination of duplicative language. He next explained some larger changes due to legislative mandates from this past session, such as replacing brand names with registered cannabis product names and modifying allowable testing deviation amounts.

Ms. Casey discussed the proposed updates to the MCP fee schedule. She stated that the CCA's prerogative is that the proposed fee structure covers the cost of regulatory oversight. The existing fee structure would not be sufficient to cover those direct and indirect costs, in part due to the recent changes eliminating patient and practitioner registration requirements. The CCA estimates the existing fee structure would bring in \$248,000 a year. The CCA predicts the annual direct and indirect costs of running this program would be about \$2.3 million. The updated fees proposed in the draft regulations are for pharmaceutical processors, the dispensing facilities, and new, stand-alone cultivation facilities. Ms. Casey noted that even with the increase, the fees proposed by the CCA are still in line with what other states are doing.

Mr. Shuford updated the Board on the new addition of equivalents in the regulations. Legislation currently refers to possession limits for botanical cannabis. He explained the proposed rules establish 1 ounce of botanical cannabis is equal to 500 mg of THC cannabis products (such as edibles) and 5 grams of cannabis concentrate (such as vapes, inhalable oils). He noted that the CCA researched what 20 different states used for equivalencies. Mr. Preiss emphasized that the CCA was directed to undertake this exercise by the General Assembly.

The Board requested clarification on voluntary patient registration and why a patient might choose to register. Ms. Casey explained that a patient might choose to register to enable them to purchase medical cannabis in another jurisdiction, as some jurisdictions accept out of state medical cards. Patients may also choose to register as an added precaution for employment protections and to have tangible documentation when carrying medical cannabis in their car. Mr. Preiss added that medical cannabis patients enjoy certain labor protections in the workplace and sometimes their employers ask them to produce evidence that they are a qualified medical patient, and registration would provide them that documentation.

The Board also questioned the quality control process based on the annual renewal process. Ms. Casey responded that there is currently an annual inspection during the annual renewal process and stated that the CCA will continue to evaluate if this frequency is sufficient. Mr. Preiss added that there would be inspections based on complaints and that inspections could be off cycle.

The Board requested clarification on the dispensing and cultivation fee structure and why each is currently the same cost. Ms. Casey shared that the limited number of locations in Virginia affects the numbers compared to other states. She added that the fee structure will continue to be revisited. The Board noted in researching other states that the fees for cultivators were always distinctly higher than the dispensers' fees. Mr. Preiss explained that one thing to bear in mind is that Virginia has a vertically integrated model, and this could explain the difference in fees. Ms. Casey elaborated that this is a starting point and the CCA is expecting a new permit in HSA (Health Service Area) 1 to come online sometime in 2024. As the MCP grows, the CCA will reevaluate costs and necessary fees.

The Board asked how the public can track the process going forward. Mr. Shuford explained that after the Board approves the proposed regulations, they will be submitted to the Register's Office via the Town Hall system. After it goes to the Register's Office, there will be a period when it will be published and available for the public to view and comment. Once the public comment period has run, it will be effective upon the effective date listed. Ms. Casey noted that the CCA is doing a slightly different process than the CCA will use in future rulemaking proceedings due to the provisions of the enactment clause in the transition legislation. Mr. Preiss stated that the CCA will revisit the regulations on a regular basis to refine them based on experience and on feedback from

stakeholders. Mr. Keohane made a motion to adopt the CCA’s medical cannabis regulations to include the fee schedule incorporated within the regulations. The Board approved an additional request allowing CCA staff to make minor punctuation and grammatical changes to the regulations.

8. EDUCATIONAL RESOURCE UPDATE

Ms. Jones updated the Board on the CCA’s educational resources. CCA staff conducted a needs assessment to gauge the effectiveness of the CCA’s current educational resources. The needs assessment survey received 169 respondents. Survey responses suggested respondents would like to see more materials focused on youth, driving, and employment consequences. The needs assessment affirmed the importance of the CCA’s published fact sheets. In response to several responses to the survey, the CCA is currently working on resources that schools and parents can use as a resource. The Board asked if there is a plan by the CCA to visit schools in person as well as places of employment to share this important information. CCA staff agreed this is an area that needs focus and a fact sheet addressing “Marijuana in the Workplace” is under development. Mr. Preiss shared that CCA staff participate in workgroups and can leverage the efforts of other organizations to get the educational resource material out to the public.

9. SAFE DRIVING CAMPAIGN UPDATE

Ms. Bonat reported on the progress of the CCA Safe Driving Campaign that began about a year ago. Initially, the CCA collected information through a survey to Virginia drivers about what type of messages would be most impactful or persuasive to change behaviors around cannabis and driving. The results of the survey helped to implement messaging during the campaign’s initial phases, which started in January 2023 and consisted of digital advertisements and billboards across the state of Virginia.

Ms. Bonat reported that the current and third phase of the campaign consists of partnering with Reingold to create radio and television ads. As of September 4th, radio ads are on the air across Virginia. The television ads will wrap up production shortly and will be available in both English and Spanish beginning in early October. Messaging for the ads includes the perspective of a state trooper who reviews the consequences of using cannabis while driving and a demonstration of how a two second delay as a result of cannabis use can impact driving.

Ms. Bonat also shared the team has been working on updating web content to include an area where people can “pledge” to not drive high and plan for a sober ride. Lastly, Ms. Bonat discussed a current project with Reingold to create a digital toolkit that will be leveraged to various CCA partners and local communities. This will enable the message to be shared at a community-based level on social media/networking platforms. Mr. Preiss added that the CCA, budget permitting, would like to continue this campaign until survey results show tangible behavior modification.

10. FINANCE AND BUDGET UPDATE

Ms. Patten gave a finance and budget update. She explained that the current fiscal year runs through June 30, 2024, and current spending levels are just shy of \$400,000 for the year. The CCA's original appropriation was \$11.2 million; however, in a recent special session, the General Assembly reduced the CCA's budget to \$5.3 million. Ms. Patten noted that the CCA had anticipated these budget changes, and the CCA feels it is a reasonable budget to run the agency. Ms. Patten added that an additional \$2.5 million is available for the CCA to secure a "Seed to Sale" tracking system.

Ms. Patten provided an update on the Medical Cannabis Program budget, including projected revenue from licensing fees that will directly support the staff running the Medical Cannabis Program.

Ms. Patten went on to detail budget proposal developments for the next fiscal year. She noted that the Governor is focused on running an efficient government. The CCA, as a new agency, has focused on building the budget lean from the start.

11. OTHER BRIEF UPDATES

Mr. Preiss gave a brief update on litigation recently filed naming the CCA as a defendant. The suit challenges certain provisions in Senate Bill 903 passed by the General Assembly during the last legislative session. This legislation imposed new limits on the sale of intoxicating hemp-derived products. The litigation is ongoing, and Mr. Preiss noted that the CCA will commit to updating the Board as things progress.

Ms. Casey briefed the Board on cannabis news at the federal level. The week previous to the September 7 Board meeting, the United States Department of Health and Human Services recommended to the DEA that marijuana be rescheduled under schedule III of the Controlled Substances Act. She explained that if marijuana is ultimately rescheduled, that could have immediate and direct consequences; however, it is early in the rescheduling process. The CCA will continue to monitor developments and adapt accordingly. Ms. Casey commented that the CCA has been intentional about building a team that is adaptable, and the CCA will make sure that Virginia's Medical Cannabis Program continues to operate in accordance with any changes at the federal level.

12. PUBLIC COMMENT PERIOD

Mr. Keohane then invited comments from the public.

Mr. Jack Page, founder of Dharma Pharmaceuticals located in Virginia's Health Service Area 3, thanked the CCA staff and Board for past work they have done. He added that he would like to see



some “tweaks” to regulations in the future and hoped to be a good resource for the CCA. He commented that he looked forward to working with the CCA in the future.

13. CLOSED SESSION

Mr. Keohane moved that the Board enter closed session under the Virginia Freedom of Information Act to discuss matters lawfully exempted from the open meeting requirements under the Personal Privacy and Security Matter Exemption contained in Virginia Code 2.2-3711(A)(4) and (A)(19). The motion was duly seconded, and the members unanimously voted to enter closed session. Ms. Patten, Mr. Preiss, and Mr. Flaherty attended the closed session in addition to the Board members.

Upon the Board’s return from closed session, Mr. Keohane moved to certify that to the best of his knowledge only matters falling under section 2.2-3711(A)(4) and (A)(19) were discussed in the closed session. The motion was duly seconded and approved.

14. ADJOURNMENT

The Board adjourned at 3:03 PM.